

## Message Text

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ORIGIN STR-04

INFO OCT-01 EUR-12 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05  
SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01  
OPIC-03 /103 R

DRAFTED BY STR:MPOMERANZ:CTB  
APPROVED BY STR:MPOMERANZ  
JSPIRO/RBRESLER, STATE  
RSCHULMAN, LABOR  
JSCHOTT, TREASURY  
LHAUGH, OMB  
MPRUIETT, COMMERCE  
RBOOTON, DOD (SUBST.)  
SGERSHBEN, AGRICULTURE  
-----260124Z 117246 /73  
P 260012Z MAR 77  
FM SECSTATE WASHDC  
TO USMISSION EC BRUSSELS PRIORITY  
INFO USMISSION OECD PARIS PRIORITY  
USDEL MTN GENEVA  
AMEMBASSY OTTAWA PRIORITY

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E.O. 11652: N/A

TAGS: EEC, ETRD, OECD, MTN

SUBJECT: GOVERNMENT PROCUREMENT

REF: (A) EC BRUSSELS 2654; (B) STATE 59802

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1. WE INTERPRET REF A AS INDICATION THAT COMMISSION IS  
SCRAMBLING TO PUT TOGETHER SOME SORT OF A REASONABLE  
AGENDA TO JUSTIFY THE TCWP MEETING THEY ARE BEING PRESSURED  
TO CONVENE BY THE NINE MEMBER COUNTRIES. THIS COULD BE  
USEFUL TO US IN THAT COMMISSION MAY THEREBY BE FORCED TO  
COME FORWARD WITH PROPOSALS ON OTHER OF THE OUTSTANDING  
ISSUES IN THE CODE. MISSION REQUESTED TO MAKE FOLLOWING

COMMENTS IN RESPONSE TO STRUXIANO AND DERISBOURG TO HELP THIS PROCESS ALONG.

2. WE SHOULD FIRST UNDERLINE THAT OUR CONTINUING UNDERSTANDING WITH THE COMMISSION IS TO DISCUSS THESE PROBLEM AREAS BILATERALLY BEFORE AIRING THEM IN A LARGER FORUM. CONSISTENT WITH THIS WE WOULD CONSIDER IT ESSENTIAL TO SEE COMMUNITY PAPERS BEFORE BEING ASKED PUBLICLY TO AGREE TO A TCWP MEETING DATE. YOU SHOULD ASSURE STRUXIANO AND DERISBOURG THAT WE WILL QUICKLY RESPOND TO THEIR PAPERS ON LDC'S TELEPHONE BIDS, FINAL PROVISIONS AND TRANSPARENCY (REFTEL A, PARAS L AND 2).

3. MORE SUBSTANTIVELY, THE COMMISSION REPS SHOULD BE ASKED WHETHER THEIR LDC PAPER WILL TAKE ACCOUNT OF THE NOTICE JUST RECEIVED FROM THE GATT SECRETARIAT (GATT/AIR/1359) TO THE EFFECT THAT AT ITS LAST MEETING THE MTN SUBGROUP AGREED "... THAT AT ITS NEXT MEETING IT WOULD UNDERTAKE A DETAILED EXAMINATION OF MAJOR ISSUES AND APPROACHES IN THE FIELD OF GOVERNMENT PROCUREMENT AND THAT THE QUESTION OF DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES SHOULD BE TAKEN UP UNDER EACH OF THE ISSUES TO BE CONSIDERED." WHETHER A DISCUSSION IS BASED ON S AND D AS RELATED TO PRINCIPLES OR TO CODE PARAS., WE STILL THINK THAT ONE COULD NOT PROFITABLY ADDRESS S AND D FOR LDC'S UNTIL BETTER IDEA OBTAINED AS TO CODE CONTENT (A VIEW WE THOUGHT COMMISSION SHARED). EC REPS SHOULD THEREFORE BE QUERIED AS TO HOW THIS SUGGESTED COMMISSION PAPER SQUARES WITH THIS LAST NOTED POSITION.

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4. WE ARE ALSO PUZZLED BY THE TOPIC OF BIDS BY TELEPHONE. WE HAD UNDERSTOOD, AT THE LAST TCWP MEETING, THAT ALL BUT ONE OF THE NINE WERE PREPARED TO ACCEPT THE CODE TEXT THAT "BIDS PRESENTED BY TELEPHONE SHALL NOT BE PERMITTED." WE ALSO NOTE THAT THE EC DIRECTIVE SPEAKS OF THE PERMISSABLE USE OF TELEPHONE FOR "APPLICATIONS TO BE INVITED TO COMPETE" (ARTICLE 11(5)) AND FOR "REQUESTS FOR PARTICIPATION IN CONTRACTS AND INVITATIONS TO TENDER" (ARTICLE 12(3)). IS THERE SOMETHING IN THE DIRECTIVE THAT PROVIDES FOR BIDS

BY TELEPHONE?

5. WE HAVE NOTHING FURTHER TO ADD AT THIS TIME ON EITHER FINAL PROVISIONS OR ON TRANSPARENCY SINCE, AT THIS JUNCTURE IN BOTH CASES WE HAVE PROPOSALS ON THE TABLE FOR THE COMMUNITY, AND ARE AWAITING THEIR RESPONSE.

6. REGARDING PARA 3 OF REFTTEL A, PLEASE UNDERLINE TO STRUXIANO THAT WE CLEARLY UNDERSTAND CANADIAN POSITION TO

BE THAT THEY WILL ADAMANTLY REFUSE TO HAVE ANY CONSIDERATION OF THEIR NEW PROCUREMENT PAPER IN OECD EVEN THOUGH CANADIAN OPPOSITION TO A TCWP MEETING FOR OTHER PURPOSES MAY NOT BE ABSOLUTE.

7. FINALLY WE SHOULD INDICATE OUR CONCERNS RE PARA 4 OF REFTEL A. UNLESS WE SEE AND HAVE AN OPPORTUNITY TO RESPOND TO THE COMMISSION PAPERS BEFORE THE 113 COMMITTEE MEETING ON APRIL 14, THE COMMISSION MAY FIND ITSELF IRREVOCABLY COMMITTED BY THE NINE TO A TCWP MEETING WHICH OTHER COUNTRIES, INCLUDING THE U.S., MAY FIND NOT PARTICULARLY FRUITFUL.  
VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT PROCUREMENT, MEETING AGENDA, LESS DEVELOPED COUNTRIES, INDUSTRIALIZED NATIONS  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE067171  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** MPOMERANZ:CTB  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
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**Previous Handling Restrictions:** n/a  
**Reference:** 77 EC BRUSSELS 2654, 77 STATE 59802  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009